



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 12, 2000

S. 2507

Intelligence Authorization Act for Fiscal Year 2001

As reported by the Senate Committee on Armed Services on June 29, 2000

SUMMARY

S. 2507 would authorize appropriations for fiscal years 2001 through 2005 for intelligence activities of the United States government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that implementing the bill would cost \$232 million over the 2001-2005 period, assuming appropriation of the authorized amounts. The bill would affect direct spending and revenues by insignificant amounts; thus, pay-as-you-go procedures would apply. S. 2507 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact for the specified authorization of appropriations in the unclassified portions of S. 2507 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. For purposes of this estimate, CBO assumes that the bill will be enacted by October 1, 2000, and that the authorized amounts will be appropriated for fiscal year 2001. Estimated outlays are based on historical spending patterns. The costs of this legislation fall within budget functions 050 (national defense) and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION ^a						
Spending Under Current Law for Intelligence Community Management						
Budget Authority ^b	157	0	0	0	0	0
Estimated Outlays	135	47	9	3	0	0
Proposed Changes						
Authorization Level	0	232	0	0	0	0
Estimated Outlays	0	144	70	14	4	0
Spending Under S. 2507 for Intelligence Community Management						
Authorization Level ^b	157	232	0	0	0	0
Estimated Outlays	135	191	79	17	4	0

a. In addition to effects on spending subject to appropriation, S. 2507 would affect both direct spending and revenues, but CBO estimates that such changes would each be less than \$500,000 a year.

b. The 2000 level is the amount appropriated for that year.

Spending Subject to Appropriation

The bill would authorize appropriations of \$232 million for the Intelligence Community Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies and unspecified amounts for intelligence activities in fiscal years 2001 through 2005.

Section 503 would increase by 2,152 positions the personnel ceiling for the General Defense Intelligence Program, which is specified in the classified schedule of authorizations. Using an average cost of \$68,000 per person based on the salaries of civilians employed by the Department of Defense, CBO estimates that this section would cost \$146 million a year compared to the cost of personnel authorizations in the classified schedule. (That cost is not included in the table above, which shows the estimated cost of only the unclassified portion of the bill relative to current law.)

Section 406 would allow the Central Intelligence Agency (CIA) to reimburse designated employees for one-half the cost of professional liability insurance. CBO does not have the necessary information to estimate the budgetary impact of this provision.

The bill also contains other provisions that would affect discretionary spending by less than \$500,000 a year:

- Section 303 would establish a new federal crime relating to the unauthorized disclosure of classified information. As a result, the federal government would be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that any increase in federal costs for law enforcement, court proceedings, or prison operations would not be significant, however, because of the small number of cases likely to be involved.
- Section 304 would require the CIA to gather intelligence on cases involving prisoners of war (POWs) and those missing in action (MIAs). Based on the small number of existing and anticipated cases of POWs and MIAs, CBO estimates this provision would not have a significant budgetary impact.
- Section 401 would expand certain reporting requirements for the Inspector General of the CIA.
- Section 504 would require a study and report on the utility and feasibility of various options for improving the management and organization of measurement and signature intelligence.

Direct Spending and Revenues

The bill would authorize \$216 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline.

The bill also contains two provisions that would affect direct spending and revenues by less than \$500,000 a year. Section 303 would establish a new federal crime relating to the unauthorized disclosure of classified information. Because those prosecuted and convicted under the bill could be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Collections of such fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. Section 403 would expand and extend through March 31, 2005, a program that authorizes the CIA to provide goods and services on a reimbursable basis. CBO estimates that the costs of providing those goods and services would be offset by the reimbursements and that this provision would have an insignificant net impact each year and no net budgetary impact over the long run.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that the net changes in both outlays and governmental receipts that are subject to pay-as-you-go procedures would be less than \$500,000 for each year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2507 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATES

On May 12, 2000, CBO transmitted a cost estimate for the unclassified portion of H.R. 4392, the Intelligence Authorization Act for Fiscal Year 2001, as ordered reported by the House Permanent Select Committee on Intelligence on May 10, 2000. On May 18, 2000, CBO transmitted a cost estimate for the unclassified portion of S. 2507, as reported by the Senate Select Committee on Intelligence on May 4, 2000. The two versions of S. 2507 have the same authorization level for unclassified portions of the bill—\$232 million. CBO estimates that section 503 of this version, however, would raise costs for classified programs by \$146 million relative to the earlier version of the bill. The two versions of S. 2507 would authorize \$88 million more for Intelligence Community Management than H.R. 4392.

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